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National
Home Center News

Vol. 12, No. 16 $2 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. July 28, 1986

Power mowers displayed at Yard King Warehouse, Plantation, Fla.: Consumers are stepping up to mid and higher prices; retailers are looking to sell name brands. NHCN photo

Quality trend shifts sales to high-end lawn mowers

By Donald Longo
NHCN staff editor

NATIONAL REPORT — As consumers continue to look for higher quality power mowers loaded with convenience features, home center retailers are finding that the $99, 3½ horsepower model may no longer be their best seller.

But, while some vendors dispute the shift away from the budget mower, this trend to higher end models may foreshadow the establishment of a greater national name presence in a category that, in home centers at least, has tended to be dominated by a few premium brands and retailers' private label models.

In fact, at least one national name brand outdoor power equipment vendor plans to introduce a new line of direct-ship power mowers at the International Lawn, Garden and Power Equipment Expo in Louisville this month.

(Continued on page 45)

Wickes shutters 22 stores, shuffles people in takeover

By Brad Altman
NHCN staff editor

LOS ANGELES — Wickes Cos. is moving swiftly to close underperforming stores and eliminate some duplicate jobs in the wake of its June 29, $180 million acquisition of W.R. Grace's 47-unit Home Centers West and 21-unit Orchard Supply Hardware.

Nearly two-dozen stores including seven of 10 Handy Dan units in Colorado, six Builders Emporiums and seven Ole's in southern California and two Von Tobel's in Las Vegas, Nev., will soon be shuttered.

For the first quarter ended March 30, Grace West and Orchard Supply lost $1.6 million on sales of $139,919,000, according to SEC documents. The operations lost $200,000 on sales of $637,769,000 during 1985.

Wickes has named the key employees who will oversee the absorbtion of Grace Home Centers West into its Builders Emporium chain.

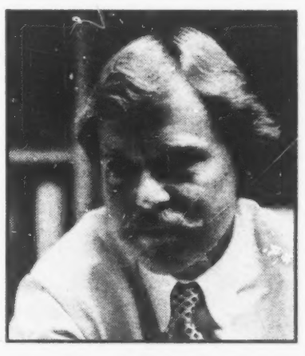
BE vp-merchandising Phyllis Friedman will be in charge of merchandising for both operations; BE vp-distribution

(Continued on page 78)

Lowe's testing pro-only units in limited markets

By Laura Liebeck
NHCN staff editor

NORTH WILKESBORO, N.C. — Lowe's has been experimenting with a new type of store, a pro-only outlet that is targeted at certain existing markets and at towns with significant construction activity but too little population to support a full-line store.



Ben Phillips

So far, Lowe's has three pro-only yards, located in Southport, N.C.; Charlotte, N.C., and most recently in Dallas. A fourth yard, in Myrtle Beach, S.C., will open in early September, according to M. Benfield Phillips, vp-corporate professional sales for the $2 billion North Wilkesboro-based company.

The target customers are professional builders and serious DIYers. The yards are not intended to replace the pro sales business at the retail stores, Phillips stressed.

"Lowe's will remain a two-gun operation servicing both

(Continued on page 78)

Service Merch. board mulls Mr. HOW fate

By an NHCN staff editor

NASHVILLE — Directors of Service Merchandise Company were expected to consider the fate of the Mr. HOW Warehouse chain at a scheduled board meeting here on July 16.

Sources close to the company said that Norman Darrer, president, and Hank Kirschner, senior vp, the two highest ranking executives of Mr. HOW, the 22-unit warehouse store subsidiary of Service Merchandise, presented separate plans to Service chair-

(Continued on page 78)

Evans' problems ran deeper than Posner's 'dictatorship'

By John Caulfield
NHCN staff editor

News Analysis

NEW YORK — He is reviled, even hated, by vendors and banks. *Forbes Magazine* referred to him recently as the Dracula of takeover artists. And now, the grandfather of leveraged buyouts is out at Evans Products Co.

Victor Posner, the secretive and controversial financier, was removed from his office as chairman of Evans after a U.S. Bankruptcy Court this month confirmed a creditors' plan for reorganizing Evans out of Chapter 11, part of which calls for his ouster.

During his stormy six years as an investor and, during the past three years, the chairman of Evans, Posner made some incredibly inpropitious moves that did nothing but antagonize his creditors. Evans' must be one of the few bankruptcies in history where banks—which will own nearly 70% of the reorganized company—are seen as the lesser of two evils.

Yet, Posner was more of a symbol of Evans' financial problems than the actual cause, as many tend to see him. And, where Evans' retail division is concerned, it can be argued that, in a bizarre way, he was a positive influence because he lent support to the company's efforts to upgrade and expand its operations, where the previous corporate management seemed to view Evans' home centers as little more than an earnings machine existing solely to meet corporate asset return criteria, sometimes at the expense of much-needed, in-store improvements.

Evans' fate, which ultimately led to its filing for Chapter 11 protection on March 11, 1985, had already been predestined under the regime of its now-retired chairman Monford Orloff, long before Posner took over.

By 1982, Evans was leveraged up to its neck with $700 million in debt, with many of its businesses—including its home building, forest products and rail car leasing divisions—foundering under a collapsing economy's weight.

It was Orloff's assumptions about the economy, on which he based Evans' growth plans, that, in retrospect, undermined Evans' ability to pay, or even service, its escalating debt. In a 1980 securities analyst meeting, for instance, he predicted interest rates would fall to 8% the following year. Instead, they rose to 21%.

Despite the economy and Orloff's projections, the retail division proved resilient. And Orloff squeezed all he could out of the home centers to stave off the drain on the company from its enormous debt.

From fiscal 1980 through the nine months ended Sept. 30, 1985, Evans' always-profitable Retail Group generated $280,988,000 in operating income. But most of that went to retire the $370,686,000 in interest expense Evans incurred during this period.

But, less has been made of

(Continued on page 8)

INSIDE

Pespectives: For family business owners planning for succession is often the most difficult, and agonizing decision they'll ever make. **21**
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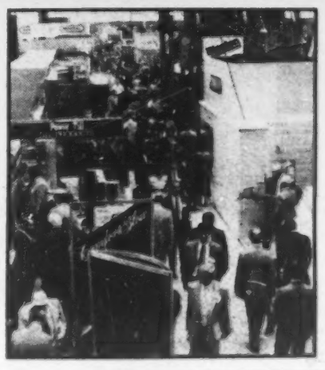


NEWSBREAKS

THOMAS THORNTON JR. JOINING MR. GOODBUYS: Orchard Supply Hardware president and ceo Tom Thornton announced July 16 that he would resign to join the 14-unit Philadelphia-based Mr. Goodbuys as president, reporting to Steve Erlbaum, chairman.

MONTE A. LEEN JOINS LANOGA: Leen, 43, Kent, Wash.-based Pay 'N Pak's executive vp in charge of advertising, merchandising and purchasing is joining Lanoga Corp. on Aug. 7 in the position of vp-marketing & merchandising.

INDUSTRY UPDATE

Ganahl resumes biz after fire

LAKE ARROWHEAD, Calif. — Fire investigators have not determined the origin of a predawn fire on June 28 that caused $550,000 in damages and destroyed the original Ganahl building which had served this mountain community since 1927.

Peter Ganahl, president of the four-unit chain, said a cinderblock wall prevented the fire from spreading to a lumber storage area in the rear of the yard. Lumber shipments were resumed within four or five days to area contractors. Plans are underway to build a "state-of-the-art" retail facility to replace two fire-destroyed buildings.

Importer buys Builders Discount

PASADENA, Calif. — Builders Discount,the three-unit, family-run warehouse home center chain founded by Sol Lowi 16 years ago in North Hollywood, Calif., was bought recently by STG Imports, a Pasadena, Calif., importer of doors, hardware and cement mixers made in Israel and the Far East. STG Imports' president A. Rami Lehavi said that Sol Lowi will manage the company.

National sells Calif. property

FOUNTAIN VALLEY, Calif.—National Lumber has sold the remaining nine acres of its Ontario, Calif., property for $2.75 million. In February, in a lease-back transaction, National sold its 60,000-sq.-ft. Ontario store which occupies a contiguous 3.9 acres on the same site for $3 million.

Purchaser of the National Lumber property is United Income Properties, Inc., Beverly Hills, Calif., which intends to design and construct a neighborhood shopping center on the acreage.

Knox union agrees to contract

ST. PAUL, Minn. — Knox Lumber Co. and the union representing its hourly workers in the Twin Cities area agreed to a new contract on June 26, according to Knox company president Richard Miller.

The Cabinet Makers and Millmen's Union Local 1865 in the Minneapolis-St. Paul area accepted Knox Lumber's offer to continue most of the provisions of their labor contract prior to the new ownership, which took possession of the 10-unit retail operation last April 23.

Miller said that changes were made to the union workers retirement and medical benefits package.

HQ signs deal to open 4th unit

VIRGINIA BEACH, Va. — Home Quarters Warehouse, W.R. Grace subsidiary, signed a deal last month for its fourth unit, an 85,000-sq.-ft. former Woolco outlet on the southeast side of Columbia, S.C.

HQ already operates a warehouse home center on the northwest side of the city. Like the current unit, the new store will have the full array of home center merchandise, including commodities. Earlier this year, HQ opened a 32,000-sq.-ft. experimental unit without commodities in the town of Tallahassee, Fla. (*NHCN*, April 21).

Frank Doczi, HQ president, said that the Tallahassee store's results had exceeded expectations, but that the city of Columbia was large enough to handle a full line warehouse stores.

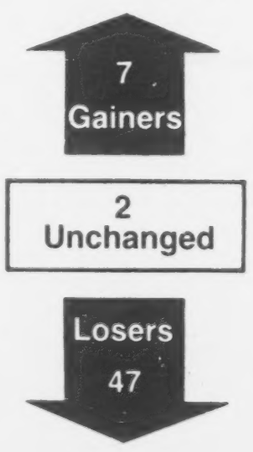
Few escape stock price plunge

NEW YORK — Few public companies in the home center industry escaped the dramatic plunge in stock market prices in early July. For the two-week period ended July 11, 47 home center issues declined, seven gained and two were unchanged.

The only retail stocks tracked in the 56-firm *NHCN* Home Center Market Summary that gained ground were National Hardgoods, up 15.5%; Hechinger A, up 4.5% and Hechinger B, up 4.4%; and Forest City Enterprises, up 0.8%.

Losers were led by Homecrafters Warehouse, down 20%; Wolohan Lumber, down 16.9%; Pay 'N Pak, down 15%, and Home Depot, down 12.3%.

See financial tables, page 76.



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Available throughout the U.S., except New York State and Alaska: 212-371-9400, 9-5:30 (E.S.T.).

Belt tightening activities continue as Great Plains closes more units

By Laura Liebeck
NHCN staff editor

ST. PAUL, Minn. — Great Plains Supply Co. is continuing its belt-tightening activities, 18 months after it cut the size of the company in half.

The St. Paul-based farm and home supply company that closed 41 units in January 1985, announced it is closing three more lumberyards, one of which will mean a complete withdrawal from a state, and the combination of four small markets into two trading areas.

Those closings will bring the store count down to 34. More closings are expected, said Karl Butzer, group vp.

"With the farm economy the way it is and the markets these units serve, a turnaround situation would be very long in coming," asserted Jeff Lehmann, gm, adding that the closed yards are in very small areas, one as small as 250 people.

Great Plains lumberyards located in Hebron, N.D.; Flandreau, S.D., and Ivanhoe, Minn., will close within the next 60 days.

These closings follow the June 1 merger of its lumberyard in Homer, Neb., with the company's newest venture, The Surplus Outlet—created to liquidate merchandise from its closed yards—located eight miles away in Sioux City, Iowa. Although the Homer yard remains open, Great Plains is centering the operation out of the Sioux City location, where both personnel, inventory and administrative functions are handled.

Great Plains also merged its lumberyard in New Hampton, Iowa, on May 1 with its Charles City, Iowa, unit, located 24 miles away. The base of operation for the two yards is the Charles City location.

Both Lehmann and Butzer explained that the units were merged to save on operating costs and to allow Great Plains to remain servicing these communities.

Two firms purchase Color Tile stock in possible takeover move

By an NHCN staff editor

FORT WORTH, Tex. — A new player has taken a large stake in Color Tile, the $390 million specialty store chain that has long been considered a takeover candidate.

Briarcliff Holdings, an oil and gas company based in Dallas, said it had purchased 624,000 shares, or 6.6%, of Color Tile stock. The company said 464,000 of the shares had been purchased from Riverway Securities, a Houston investment firm that had owned 14.9% of Color Tile stock.

Riverway now owns 878,000 shares, or 9.3% of Color Tile or Tile.

Further, Briarcliff and Riverway have signed a buy-sell agreement that calls for each party to offer its Color Tilestake to the other, before sell ing the shares elsewhere. In its filing, Briarcliff said that it had undertaken "discussions with others about the feasibility of financing a possible acquisition of control of the issuer," and that it "may continue to have such discussions in the future."

Payless announces corporate changes

By an NHCN staff editor

KANSAS CITY — Mike Largent, director of store programs for Payless Cashways, Inc., was promoted June 20 to vp of the Midwest region.

Largent replaces Bruce Hokanson, a 15-year Payless Cashways employee and nephew of J. Stanley Covey, former Payless chairman. Payless Cashways also announced that Nevada and Colorado have been added to the Midwest region.

In addition, the company has begun a three-month evaluation study in southwestern Missouri for a new 480,000-sq.-ft. distribution center.

The chain narrowed its 31 site search in July to a 65-acre location in Sedalia, Mo. The proposed ninth distribution center would have 10 acres under roof, serving stores from the Ohio Valley to the Rocky Mountains and from Iowa to Texas.

Largent, 35, joined the company in December, 1984 as the Dallas district manager. He was named director of store programs in 1985. Before joining Payless Cashways, Largent was with Wickes Lumber and then Bowater Home Centers until the company was acquired by The Home Depot.

Largent reports to Stan Boyd, 34, who was promoted in February to a new Payless Cashways post, senior vp of stores. The regional vice presidents in Indianapolis, Kansas City, Sacramento and Dallas all report to Boyd. He is responsible for the management and operations of all retail units except the Somerville Lumber subsidiary in New England.

Mike Largent, director of store programs for Payless Cashways, was promoted to vp of the Midwest region. He replaces Bruce Hokanson.

Boyd, who joined Payless in 1974 as a floor salesman in Tyler, Tex., moved up the ladder to manager of the Tyler store, Texas district manager in 1981 and regional manager of the 22 Colorado and Nevada stores in 1983.

A year later, Boyd was named vice president of the Mountain region in Denver.

A spokesman for the company said Hokanson's plan were "up in the air. We're not sure what he's doing. He was considering another position in the company..." the spokesman said but no new position for Hokanson was identified.

Hokanson, 36, started as a store manager in Iowa, moved up to district manager for five states and was made a regional vice president in 1984.

In an unrelated matter, Payless Cashways will be moving to new and larger offices in Kansas City. Starting in October, the corporate offices will be across the street in Two Pershing Square.

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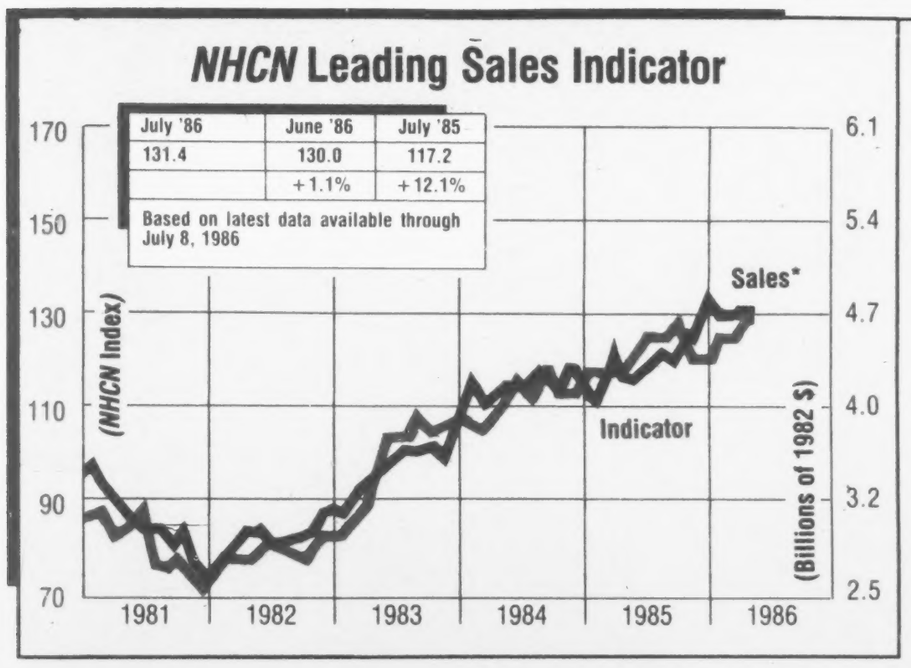
BUSINESS WATCH



*—Monthly retail trade building materials and supplies in 1982 $.

Indicator—Represents projected level of retail trade building supply activity four to six months out from current months. Data based on real personal income, housing starts, resales, prime rates and other data.

The NHCN Leading Indicator rose 1.3% in July to 131.4, from the prior month due to the strength in resales in the fourth quarter of last year. Based on the level of activity in starts, resales, income, and interest rates in the first quarter of 1986, the leading indicator should rise an additional 5% through November, to 137.

Building material sales boost due to larger home purchases

By Richard Mount
Special to NHCN

Consumers surging onto the home buying market this year are buying larger single-unit homes than they have in years. And as a result, they are using more building materials in their remodeling and repair work.

Combined with the overall high rate of resales being posted through the first half of 1986, there is continued support for the recent upward revision in forecasted retail building material sales. The forecast, revised in May, calls for sales to increase 15% this year nationally, up from 13% forecasted prior to May, and 11% first forecasted at the beginning of the year.

Richard E. Mount

Sales are expected to increase 8% in 1987, over the revised 1986 sales base.

Bigger homes

One factor playing a bigger role this year in expected sales gains is the larger size of homes consumers are purchasing.

The average size of single-unit new homes will near 1,790 sq. ft. this year, up from 1,785 in 1985 and 1,710 in 1982. This exceeds the prior peak of 1,760 sq. ft. in 1979.

Buyers have demonstrated a desire for larger homes during the current recovery as lower interest rates made housing more affordable. Consumers' income rose after the rapid snap back in the early stages of the current business expansion, the sharpest in the post-war period. That rise in income pushed the economy above its long-term trend.

However, that trend oc-

(Continued on page 13)

Home Center Industry—General Business Outlook

		1985 QII	1985 QIII	1985 QIV	1986 QI	1986 QII	1986 QIII	1986 QIV	1987 QI	1985	1986	1987
***NHCN* Leading Sales Indicator** (January 1980 = 100)		**116.0**	**121.0**	**123.4**	**124.7**	**127.9**	**132.2**	**136.7**	**138.8**	**118.5**	**129.1**	**139.3**
General Economic Outlook												
	GNP $1982 Billion	**3,557.4**	**3,584.1**	**3,590.8**	**3,616.9**	**3,634.1**	**3,660.9**	**3,692.2**	**3,716.2**	**3,570.0**	**3,664.5**	**3,779.3**
	Real Disposable Income $1982 Bil.	2,532.2	2,503.1	2,517.1	2,550.9	2,587.1	2,598.8	2,613.4	2,613.7	2,508.8	2,836.4	2,637.8
	Housing Permits (000 SAAR)	1,731	1,762	1,741	1,834	1,790	1,785	1,730	1,685	1,739	1,767	1,724
	Housing Starts (000 SAAR)	1,743	1,688	1,773	1,988	1,950	1,880	1,820	1,775	1,742	1,917	1,764
	New Home Sales (000 SAAR)	681	711	696	789	775	800	775	750	686	785	735
	Resales (000 SAAR)	3,043	3,360	3,500	3,257	3,550	3,600	3,570	3,450	3,216	3,494	3,438
	Prime Rate %	10.2	9.5	9.5	9.4	8.6	8.0	8.0	8.0	9.9	8.5	8.5
	Mortgage Rate % (HUD)	12.9	12.1	11.8	10.8	10.3	10.0	10.0	9.8	12.5	9.9	10.4
	Consumer Price Index (1967 = 100)	321.1	323.0	326.5	327.7	325.9	328.5	331.0	333.8	322.1	328.9	340.2
	Producer Price index (1967 = 100)	293.8	293.1	296.4	292.1	288.6	288.5	289.5	292.2	293.9	289.5	299.1
	New Housing Affordablility 1980 = 100	112.6	119.3	119.3	127.4	125.9	127.7	126.7	127.5	116.2	131.2	122.5
Residential Alterations and Repairs												
Current	**Total $ millions SAAR**	**70,400**	**77,500**	**73,885**	**75,928**	**78,356**	**81,269**	**83,516**	**85,075**	**76,671**	**79,767**	**85,594**
	Maintenance and Repair	32,400	32,700	32,378	33,572	34,610	35,666	36,740	37,469	33,695	35,147	37,965
	Additions and Alterations	25,600	29,500	27,556	27,745	28,637	29,633	30,288	30,591	28,089	29,076	30,635
	Major Replacements	12,400	14,300	13,950	14,612	15,109	15,970	16,488	17,015	14,638	15,545	16,993
Constant	**Total Millions $1977 SAAR**	**40,975**	**44,866**	**42,900**	**43,650**	**44,600**	**45,800**	**46,600**	**47,000**	**44,620**	**45,163**	**46,588**
	Maintenance and Repair	18,858	19,179	18,800	19,300	19,700	20,100	20,500	20,700	19,672	19,900	20,663
	Additions and Alterations	14,900	17,300	16,000	15,950	16,300	16,700	16,900	16,900	16,400	16,463	16,675
	Major Replacements	7,217	8,387	8,100	8,400	8,600	9,000	9,200	9,400	8,548	8,800	9,250
Retail Trade Activity												
Current	**Total $ millions SAAR**	**1,369,400**	**1,399,296**	**1,388,316**	**1,404,932**	**1,427,173**	**1,470,054**	**1,502,536**	**1,525,418**	**1,373,941**	**1,450,655**	**1,561,366**
	Total Minus Automobile	1,055,360	1,066,248	1,082,244	1,095,360	1,106,216	1,132,553	1,160,409	1,179,804	1,061,148	1,123,310	1,210,140
	Building Material, Hardware, Garden Supply, Mobile Home	73,280	74,328	78,024	83,904	83,297	84,349	85,637	88,274	74,062	84,255	90,179
	Building Material and Supply	53,512	53,736	56,976	61,180	61,005	62,165	63,008	65,050	53,841	61,781	66,655
	Hardware	10,912	11,116	11,572	11,416	12,125	12,301	12,480	12,817	11,092	12,084	13,097
Constant	**Total Millions $1982 SAAR**	**1,279,412**	**1,307,324**	**1,286,256**	**1,303,725**	**1,310,000**	**1,336,000**	**1,352,000**	**1,359,000**	**1,282,071**	**1,324,639**	**1,370,250**
	Total Minus Automobile	993,124	1,003,052	1,007,676	1,024,780	1,024,000	1,038,000	1,053,000	1,060,000	996,515	1,034,470	1,071,000
	Building Material, Hardware, Garden Supply, Mobile Home	69,827	70,833	73,628	78,692	76,600	76,800	77,200	78,790	70,244	77,094	79,290
	Building Material and Supply	50,990	51,209	53,765	57,369	56,100	56,600	56,800	58,060	51,055	56,526	58,605
	Hardware	10,398	10,593	10,922	10,707	11,150	11,200	11,250	11,440	10,512	11,054	11,515
	Building Materials % of Total Less Automobile ($Current)	5.07	5.04	5.26	5.57	5.51	5.49	5.43	5.51	5.07	5.50	5.51

Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development
July 8, 1986

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales; and industrial production. The *NHCN* Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart
Source: Merrill Lynch Economics for *NHCN*

BUSINESS WATCH

Building material sales up due to surge in home buying

(Continued from page 12)
curred as the leading edge of the baby boom reached 40 and their larger and older families and higher incomes called for additional living space. The Northeast was the strongest region for growth in this recovery and homes are larger than the national average.

Consumers change

The reasons for the increase in average home size in the 1980's differ from the late-1970's.

Today, the two major factors driving home buying are needs and affordabilty. Consumers are selecting homes based on family size, age and income. And they expect to stay there for years before another move. More established careers and the increase in dual-income families make relocations more difficult.

In the late 1970's, in contrast, housing was often sought as an inflation hedge, and many units were bought as short-term investments rather than long-term homes. For many buyers, the real estate cycle was buy, appreciate, and then trade up within two years or less. Major improvements to homes, to enhance life styles, were deemed uneconomical.

The outlook for the balance of this year, however, suggests that home size will increase. Mortgage rates dropped sharply in the first quarter, down 100 basis points from the fourth quarter of last year and 220 basis points from a year ago. Mortgage rates moved up in the late spring but are beginning to turn around. Rates will decline to single-digit levels in the third quarter of this year and continue to soften into the first half of 1987. Regionally, the Northeast will stay strong, keeping the national average of home size up.

Surge in demand

However, the surge in demand has already begun to push home prices upward. Homes in the Northeast, in particular, have surged to expensive levels.

Consumer demand is thus expected to shift to lower priced units. The drop in mortgage rates is almost over and larger homes will not sell as well.

As a result, for 1987, average home sizes will decline about 10 sq. ft.

Better sales

For building material sales, the increase in average square footage of new housing is a plus for dealers this year, and for the future.

Constructing larger homes than last year will increase building material demand. Homes that are started now will remain under construction into 1987, keeping demand for materials high.

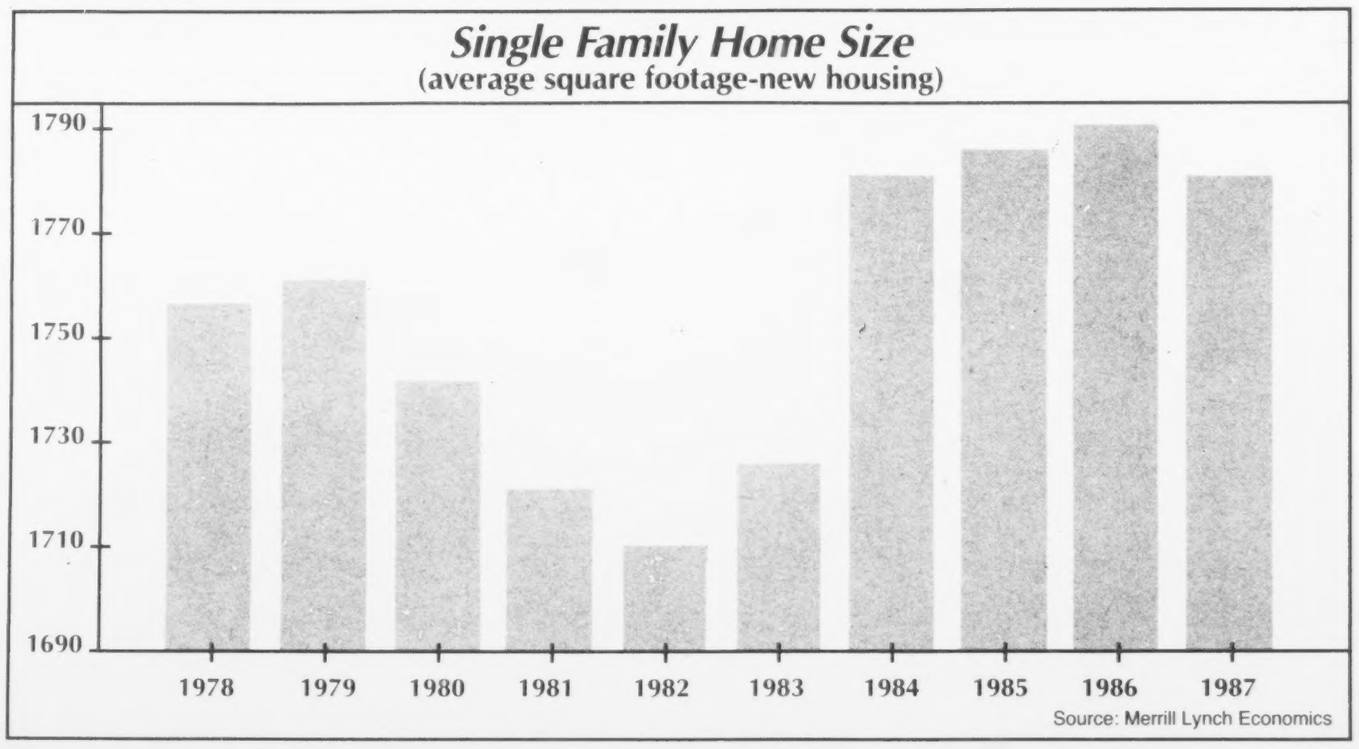
The reasons for larger homes today—family needs and income—and less willingness to move suggest that consumers, in many parts of the country, will want higher quality products and service for building materials in the future.

Richard E. Mount is senior economist and manager of housing construction material research at Merrill Lynch Economics.

Average Family Home Size By Region (Average Sq. Ft.)

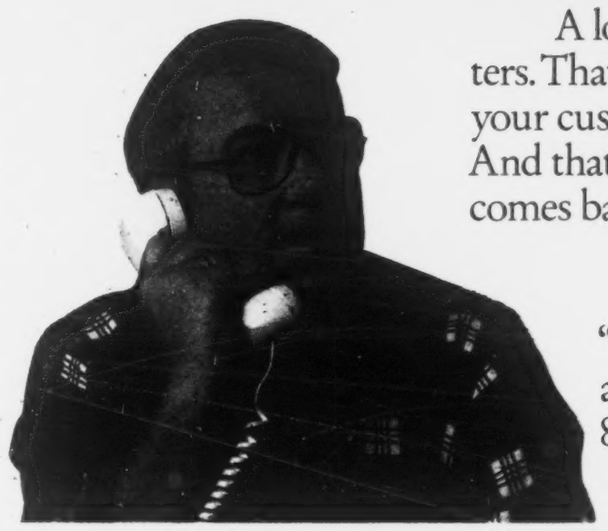
	1979	1982	1985
United States	1,760	1,710	1,785
Northeast	1,795	1,755	1,830
Midwest	1,720	1,655	1,820
South	1,795	1,700	1,765
West	1,730	1,740	1,770

Source: Merrill Lynch Economics



"WHEN IT COMES TO SELLING FORMBY'S, YOU HAVE MY COMPLETE SUPPORT."

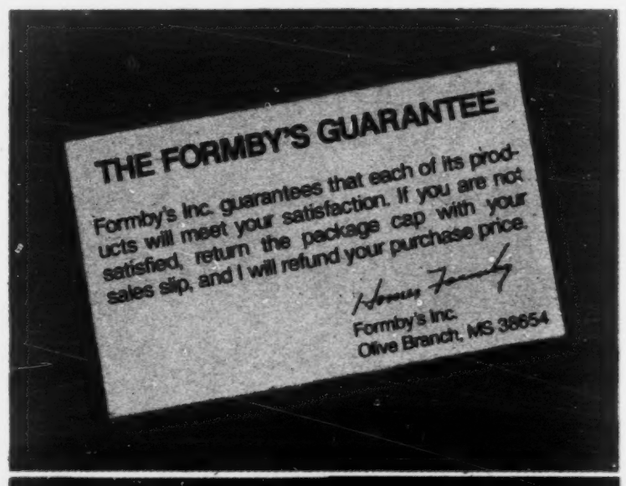
Homer Formby



A lot of do-it-yourself projects wind up being did-it-yourself disasters. That's why I developed the Formby's Support System. It guarantees your customers will get great results when they use Formby's products. And that's good for you, too. Because a satisfied customer is one who comes back for more.

Help is only a phone call away.

Here's how the System works: First, I'm introducing the "Homer Help Line"—a toll-free, nationwide 800 number. When your customers have a question about one of my products, they can call 1-800-F-O-R-M-B-Y-S seven days a week, and speak with a professional who will talk them through to beautiful results. So when you sell Formby's, you're selling customer service, too.


THE FORMBY'S GUARANTEE
Formby's Inc. guarantees that each of its products will meet your satisfaction. If you are not satisfied, return the package cap with your sales slip, and I will refund your purchase price.
Homer Formby
Formby's Inc.
Olive Branch, MS 38654

With Formby's, there's always a happy ending.

Second, every can of Formby's Paint Remover and Furniture Refinisher now comes with a full money-back guarantee. Which means you can recommend my products with complete confidence, knowing your customers will get great results. I guarantee it.

Earn a degree in refinishing.

Third, I'm offering The Formby's University Training Program. Your employees are invited to attend and learn all about Formby's products, and how to give in-store demonstrations—a terrific way to show and sell.

Why am I doing all this? Because no one cares more about his customers or his dealers than I do. That's why I'm expanding my industry-leading support program of network television, exciting consumer promotions, and strong trade incentives. No one does more to sell products through to consumers than Formby's.

The system works in your favor.

Remember. When you recommend Formby's products, you're sure never to have a dissatisfied customer. Because Formby's products are the only ones backed by the new Formby's Support System. And you know what they say. You can't beat the system.

Formby's®

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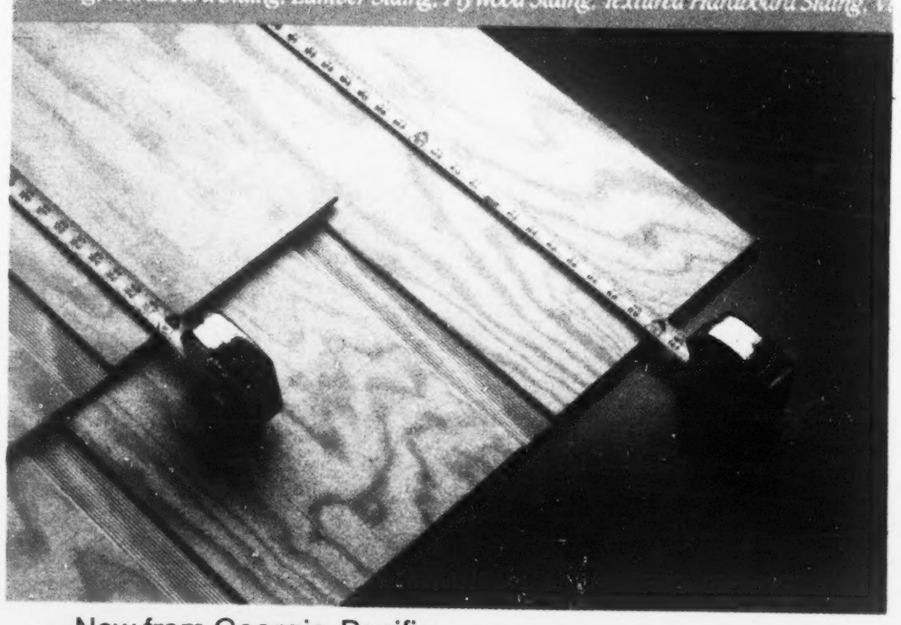

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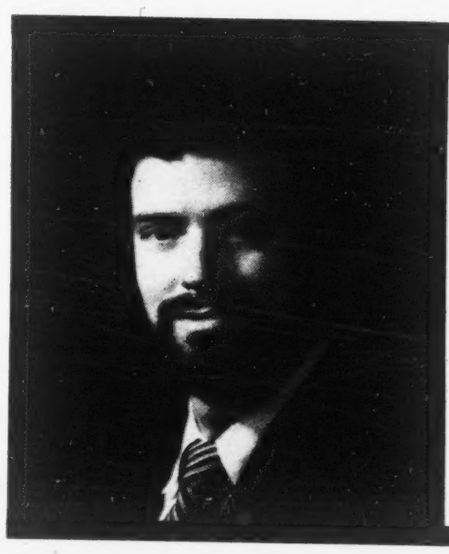
LUMBER REPORT

Shakeout coming for lumber and panel board manufacturers

By Hawk Furman
Special to NHCN



"Overproduction, like a flood, brings disaster, and until the water recedes or production is cut, there will be little comfort."
—Hawk Furman

It happened in farming and it is going to happen in forest products: The overproduction of lumber and panel board is going to force many manufacturers out of business.

The paradox is that the manufacturers see increased production as their answer for survival. Owners are convinced that if they can increase production through state of the art technology, or by adding a second shift while at the same time cutting costs, that they can lower unit costs which will make them more competitive and give them the edge over their competitors so they can survive.

What many mill owners will fail to see is that most operators are following the same strategy and that they are all on the same treadmill together. And the faster they pump production, the worse the plight of the industry becomes.

Overproduction, like a flood, brings disaster and until the water recedes or production is cut, there will be little comfort.

Production up

Certainly, production figures suggest that output shows no signs of retreating.

Lumber production figures for the first quarter of 1986 show the U.S. West Coast production up 11.4% from 1985. Inland production is up 13.8% while southern yellow pine production was up 2.9% Total Canadian production is up 6.9% while British Columbian production is up 9.7%.

Canadian and U.S. lumber mills are estimated to have 60 billion board feet of softwood lumber production capacity. The highest current estimate of demand for North American softwood in 1986 is 56.6 billion board feet. The consumption in 1985 was 52.9 billion board feet according to *Hay-Roe's Paper Tree Letter.*

Technology boosting output

Meanwhile, mills are utilizing the latest technological advances such as computerized log sorters, scanners, trim saws, resaws and lumber sorters. Production increases due to these changes range from 7% to 40%.

Panel board production is exploding. The plywood producers in the Pacific Northwest are producing more plywood with fewer mills. According to the American Plywood Association, the average production capacity of plywood plants in the Pacific Northwest rose 34% between 1980 and 1985. New waferboard and oriented strand board (OSB) mills are coming on so fast that it is hard to keep track.

More facilities coming

In the past few months Louisiana Pacific has opened a mill at Dun Cannon, Va. while Georgia Pacific opened a mill at Skippers, Va. A 300-million-sq.-ft. OSB facility is being opened shortly by Weyerhaeuser in Elkins, N.C. New production facilities are reportedly coming on stream next year, including two Louisiana Pacific plants, one in British Columbia and the other in Michigan; an International Paper facility in Texas; a Georgia Pacific plant in Glades Spring, Ga., and Northwood is reopening its plant in Chatham, New Brunswick.

Without these new plants, there is currently overproduction which has resulted in the current delivered price of 7/16-in. waferboard at $145 per 1,000 sq. ft. to the retailer in the Northeast, down from $170 a year earlier.

The introduction of isocyanate as a resin in the making of waferboard and OSB has helped the mills pioneering the resin to increase production by as much as 30%. The new resin sets up faster and allows for shorter press time which permits more board to be pressed in less time than currently can be achieved with the more conventional phenolic resins.

Over time most of the mills will convert to the new resin, and it does not take much imagination to what this technological change by itself will do to increase current production capacity of waferboard mills.

World market outlook

If there is a bright spot to the threat of excess capacity and overproduction, it is the improvement in overseas markets as an outlet for forest products.

The export market is better for North America because of the weakening of the dollar. However, there is pressure on North American wood from countries that are increasing their forest production.

Japan, Chile, New Zealand, Russia and even the Scandinavian countries are producing more wood. In Scotland they are harvesting Scottish Pine from the forests which were planted after World War II and they are converting the fiber into waferboard at the Highland Forest Products Mill. Russia has cut prices from 15% to 25% on red pine to Japan in the third quarter. Currently there is 2.5 months of consumption of Russian wood sitting on Japanese docks.

Long term view

Even with the production curtailments caused by the current lumber strikes in the Pacific Northwest, there is too much wood for demand. The strikes should be resolved by fall and the struggle for survival among lumber and panel board producers in North America will continue.

The survivors will be those with deep pockets that keep up with the latest in sawmill technology and take marketing seriously. The profitable producer will be researching the marketplace and developing specialty products that are a result of adding value to basic commodities.

Futures

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.
Two weeks ended July 2

	High	Low	Close (Settle)	Previous Week	Open* Interest	Contract High	Contract Low
July '86	$168.20	$160.50	$166.00	$166.50	938	$190.90	$144.00
Sept.	$165.00	$155.20	$162.30	$163.00	2,796	$182.40	$145.50
Nov.	$163.20	$154.70	$159.00	$162.00	1,373	$174.50	$146.00
Jan. '87	$166.70	$159.20	$162.60	$165.90	345	$175.00	$150.00
March	$168.00	$161.90	$165.00	$167.30	182	$175.50	$153.00
May	$168.10	$163.50	$166.50	$168.50	51	$174.50	$160.00
July	$168.00	$165.00	$168.00	$169.50	14	$175.50	$162.00

Total Contract Vol. (Through 7/2): 19,597 **Previous Two Weeks: 20,765**
Total Open Interest (As of 7/2): 5,699 **Previous Week: 5,861**
Cash Price: $169.54 **Previous Week: $172.48** **Year Ago: $154.84**

CME—Chicago Mercantile Exchange
*Figures for 7/2
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

Perspectives

merchandising

Outdoor equipment suppliers predict steady growth

By an NHCN staff editor

NATIONAL REPORT — With the exception of walk-behind tillers, unit shipments of most types of major outdoor power equipment are expected to show steady growth through 1987, according to a new report released by the Washington-based Outdoor Power Equipment Institute (OPEI).

Shipments of walk-behind rotary mowers are projected to increase 2.4% this year to 5.319 million units, according to members of the institute which includes outdoor power equipment manufacturers and associate original equipment makers. The institute forecasts a 1.4% increase to 5.395 million units in 1987.

Members of the institute predicted that rear engine riding mowers will see a 4.8% increase in 1986 to 372,000 units, followed by a 3.8% rise in 1987 to 386,000 units. If 1986 projections are met, according to the report, the rear engine rider will be the pace setter for all riding units with a 42.5% growth rate since 1981.

Lawn and garden tractors are expected to show a 1.6% increase to 557,000 shipments this year, followed by a 4.1% hike to 580,000 shipments.

Garden tractors have moved unevenly since 1981, said the report, showing a modest 6.8% gain since that year. Shipments are expected to decline 3.4% to 142,000 units this year before rebounding to 149,000 units, a 4.9% gain, in 1987.

Unit shipments of most types of outdoor power equipment are expected to show steady growth through 1987.

Institute members see walk-behind snow thrower shipments rising 14.5% to 482,000 units this year, and about 5% higher in 1987 to 506,000 units.

Walk-behind tillers will continue a decline that started in 1982, dropping 5.8% this year to 341,000 units, and another 6.2% to 320,000 units in 1987. The decline in tiller sales is attributed to changing demographics, lifestyles and housing preferences among American homeowners.

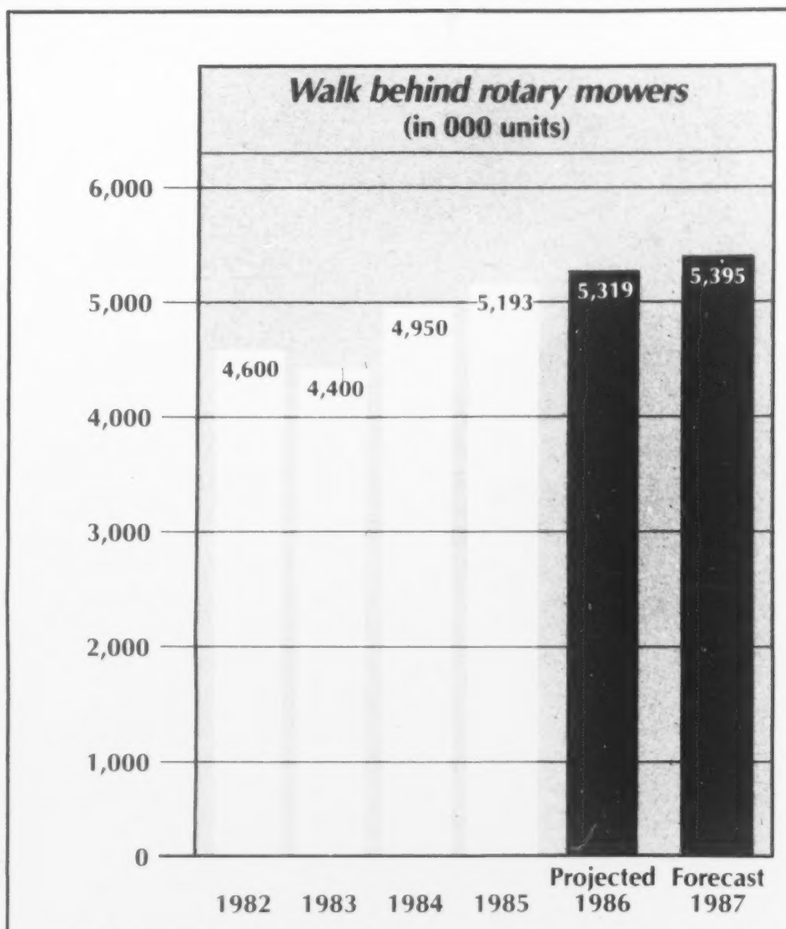
The report, which was compiled for the OPEI by Gilson, a Plymouth, Wis., power equipment maker, also examined trends in distribution of outdoor power products.

On average, OPEI members predict that independent dealers will gain only 0.6 of a percentage point this year to represent 20.7% of total industry shipments. Those dealers are expected to remain at that level in 1987, with just a 0.1% gain to 20.8% of the total distribution.

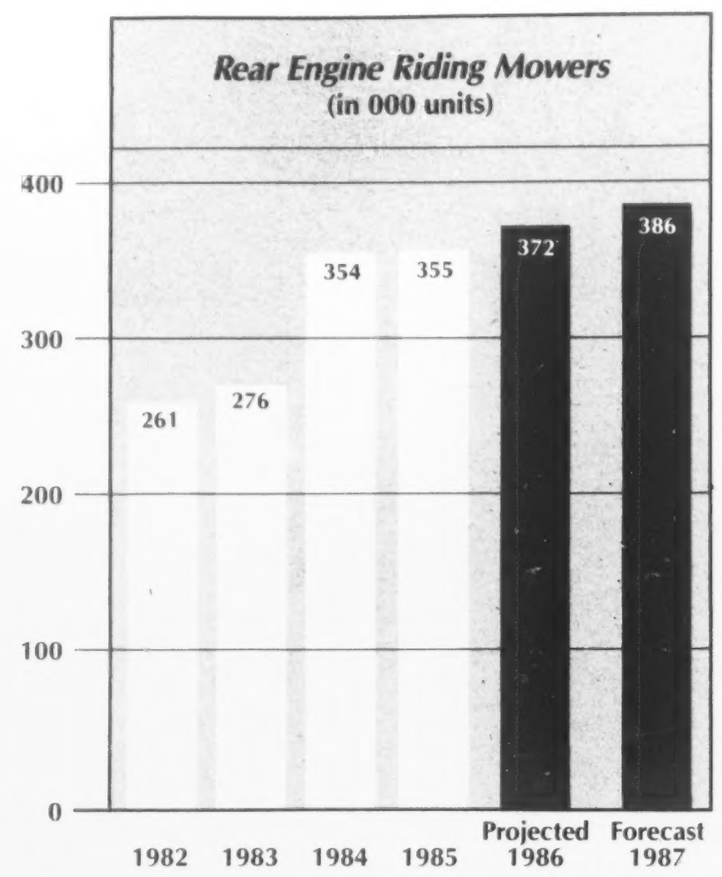
The group's members forecast a continuing loss of market share into 1987 by wholesale distributors, who will represent 26.1% of total shipments this year and 25.3% next year. In 1982, distributors handled 37.9% of total shipment.

Export shipments, while subject to wide-ranging external economic and monetary forces, are expected to increase to 2.0% of the total market this year and 2.5% in 1987.

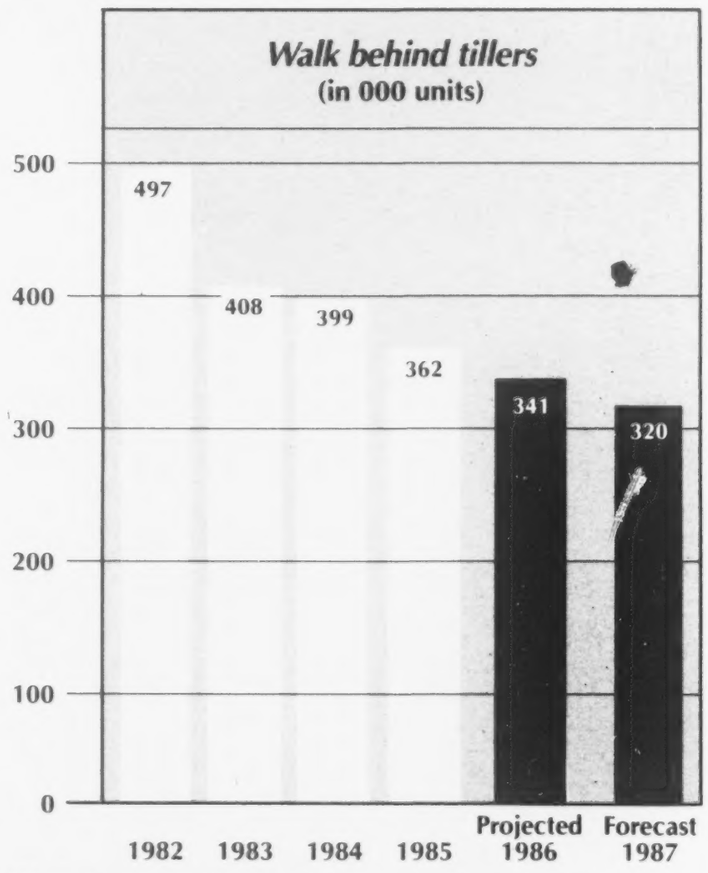
Mass merchandisers will continue to take a larger share of the total outdoor power equipment market. From an average of 40.6% of total shipments in 1982, merchandisers share of the total market rose to 50.9% of shipments in 1985, a projected 51.2% in 1986.



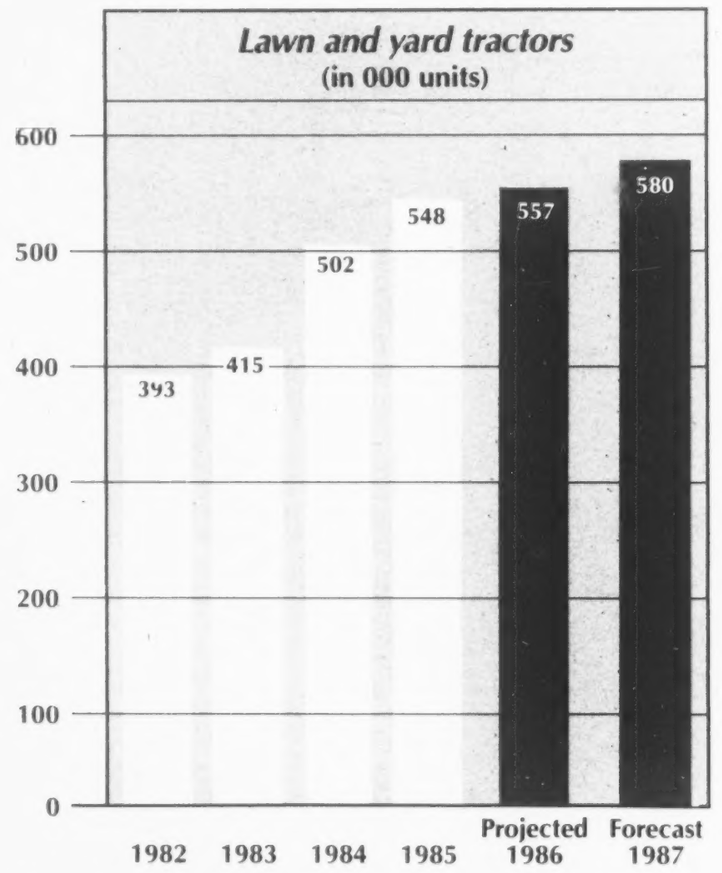
Sales of walk-behind rotary mowers have bounced back from a low of 4.4 million units in 1983, a year after new Federal safety guidelines resulted in price hikes at retail. Continued growth is expected through 1987 when outdoor power equipment manufacturers forecast nearly 5.4 million units will be sold.



Industry shipments of rear engine riding mowers shot up from 276,000 units in 1983 to 354,000 units in 1984. After remaining at that level last year, manufacturers predict a slight rise this year to 372,000 units and next year to 386,000 units.



Walk behind tillers, which peaked in 1982 when growing your own garden was a craze, have been declining since. Manufacturers forecast shipments to drop to 341,000 this year and 320,000 in 1987.



Lawn and garden tractor shipments have risen at nearly the same rate as riding mowers. Industry shipments hit 548,000 in 1985, and are expected to grow to 557,000 this year and 580,000 by 1987.

Source: 1987 Outdoor Power Equipment Industry Outlook

Mfgs., retailers report lower costs at Expo

(Continued from page 46)

ideas," Yahn said. "You don't have to worry about equipment disappearing and it generates new ideas for buyers."

Yahn added that this year's Expo will include the best representation of the lawn and garden category which will represent 35% to 40% of the exhibitors.

"We're getting to the day when the entire outdoor category will be at the same show," Yahn said.

Moreover, both manufacturers and retailers report that there is an extreme difference in hotel costs, booth rental and per diem expenses between Chicago and Louisville.

"We can almost guarantee that coming to Louisville is 50% less expensive than coming to Chicago," Yahn said.

Case Moolbroek, of MTD Corp., a Strongsville, Ohio-based manufacturer of lawn mowers and outdoor power equipment, said his company gave up on the hardware show three years ago when the lawn and garden exposition was begun.

"At the Lawn and Garden show there is ample indoor and outdoor demonstration space available to run the equipment," said Moolbroek. "To run the equipment adds a great deal in showing what the equipment will do.

"We haven't been at the Hardware Show in three years. It just doesn't provide the facilities. The Kentucky show is unlimited."

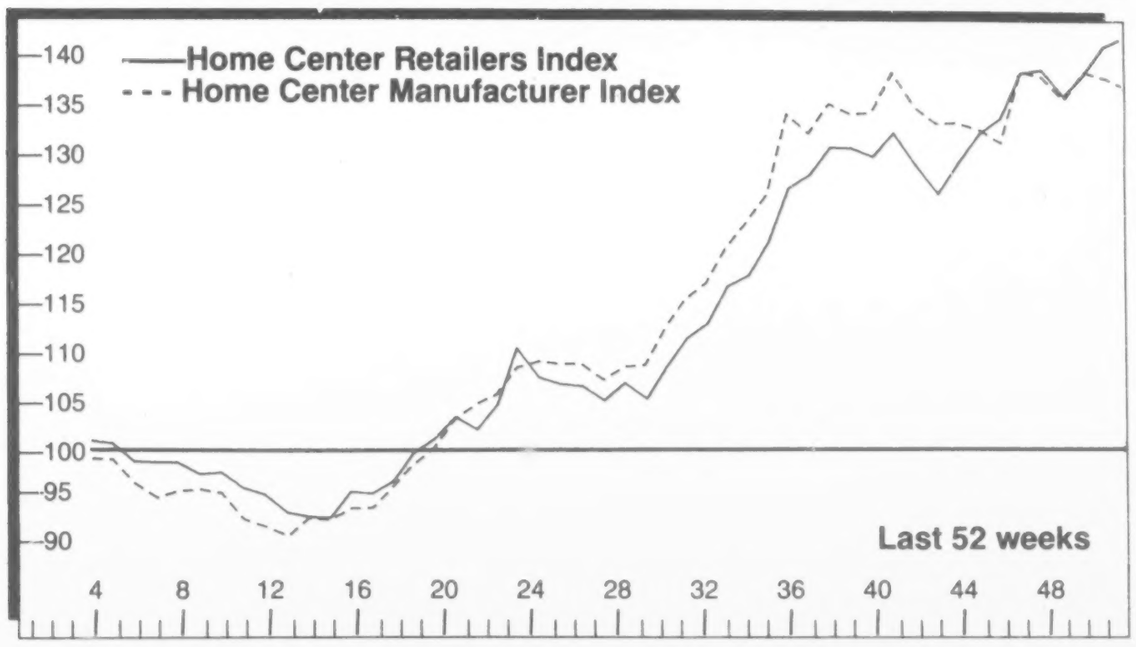
Other major outdoor power equipment manufacturers have other complaints about the Chicago show.

Jerry Kimmel, a manager of consumer sales for Toro, said his company has become loyal to the Kentucky show because the retailers who attend represent companies whose customers are prone to buy Toro equipment.

In addition, Kimmel noted that with Toro's demonstration and display space amounting to 14,000 sq. ft. at the Louisville show, home center buyers are better served by viewing a full range of the manufacturer's products.

"The hardware show has a connotation of being mass merchandise oriented," Kimmel said, "and that is something which Toro has moved away from in recent years."

FINANCIAL NEWS

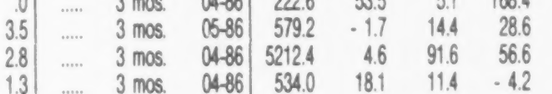


The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on Feb. 1, 1985, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions of companies to the *NHCN* stock list.

Most Active Stocks

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
5-27-86	(100)	%	%
Sherwin-Wms N	31,235	451.2	- 1.4
Lewis Palmer M	1,596	254.8	- 12.0
Color Tile M	8,074	210.9	- 7.1
Natl Hardgoods M	475	190.2	15.5
Newell Co N	3,198	179.1	- 6.5
Stanley Works N	5,759	158.8	- 3.4
Handyman A	418	141.8	- 3.2
Weyerhaeuser N	29,401	137.9	- 2.2
Wickes Cos A	124,784	131.8	- 2.1
Supermkts Gen N	5,109	126.3	- 3.6

The Volume Trend Change is the per cent difference between the latest 2-week average volume and the previous 12-week average volume.*



Price Movement

Company & Market	2-Weeks Ended 7-11-86	2-Week Price Change	Total 2-Week Volume
Winners	$	%	(100)
Natl Hardgoods M	10.25	15.5	475
Owens Corning N	51.13	9.4	9,963
Hechinger A M	23.25	4.5	4,555
Hechinger B M	23.50	4.4	789
Allegheny Int N	20.00	1.3	4,965
Macmillan Bloedel M	26.50	1.0	732
Forest City Ent A	30.63	.8	34
Manville Cp N	2.75	.0	7,387
Mor-Flo Inds M	16.00	.0	154
Emhart Corp N	35.50	- .4	2,755
Losers	**$**	**%**	**(100)**
Homecrafters Whse M	.50	- 20.0	112
Wolohan Lumber M	8.63	- 16.9	1,425
Pay N Pak N	15.63	- 15.0	4,318
Home Depot N	18.75	- 12.3	8,470
Lewis Palmer M	8.25	- 12.0	1,596
Black & Decker N	18.25	- 11.5	28,200
Lowe's Cos N	31.88	- 11.5	12,598
Armstrng Wrld N	57.25	- 10.7	6,421
Payless Cash N	23.25	- 10.6	16,374
Masco Corp N	29.88	- 10.2	22,930

National Home Center News®

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market: Price: 2-Weeks Ended 7-11-86 $	2-Weeks Change Amt. $	2-Weeks Change Pct. %	2-Week Range High $	2-Week Range Low $	52-Week Range High $	52-Week Range Low $	Volume: 2-Weeks Shares Traded Total (100)	2-Weeks Shares Traded % Out %	12-Week Avg. Vol. As % Out %	Volume Trend Change %	Financial Update: P/E Ratio -	Indicated Divd. Rate Amt. $	Indicated Divd. Rate Yld. %	Latest Report: New Report -	Period -	Date Ended -	Latest Quarter: Revenue Amt. $Mil	Revenue Chg. %	Net Income Amt. $Mil	Net Income Chg. %	E.P.S. Amt. $	E.P.S. Chg. %	Year-to-Date: Revenue Amt. $Mil	Revenue Chg. %	Net Income Amt. $Mil	Net Income Chg. %	E.P.S. Amt. $	E.P.S. Chg. %
Retailers																													
Color Tile M	22.88	- 1.75	- 7.1	24.25	22.88	24.63	16.88	8,074	8.55	2.75	210.9	15.3	.00	.0	.....	9 mos.	03-86	97.9	7.9	3.4	9.7	.36	9.1	280.1	12.3	10.0	7.5	1.06	5.0
Erb Lumber M	70.75	- 2.25	- 3.1	74.25	70.00	77.00	20.75	86	1.03	1.09	- 5.5	10.3	.00	.0	.....	3 mos.	03-86	35.1	33.5	(.3)	NE	(.38)	NE	35.1	33.5	(.3)	NE	(.38)	NE
Forest City Ent A	30.63	.25	.8	30.63	30.13	31.25	22.00	34	.04	.13	- 69.2	42.0	.30	1.0	.....	3 mos.	04-86	88.0	19.4	.2	.0	.03	50.0	88.0	19.4	.2	.0	.03	50.0
Grace W R N	52.50	- 1.75	- 3.2	55.00	51.88	60.75	35.50	13,209	2.43	2.52	- 3.6	26.0	2.80	5.3	.....	3 mos.	03-86	1250.5	- 20.9	(3.1)	- 100.0	(.08)	- 100.0	1250.5	- 20.9	(3.1)	- 100.0	(.08)	- 100.0
Handyman A	30.50	- 1.00	- 3.2	31.75	30.00	36.00	21.75	418	1.62	.67	141.8	12.4	.20	.7	.....	3 mos.	03-86	62.6	.8	(.2)	- 100.0	(.06)	- 100.0	62.6	.8	(.2)	- 100.0	(.06)	- 100.0
Hechinger A M	23.25	1.00	4.5	23.75	22.00	23.59	12.81	4,555	4.17	2.86	45.8	NA	.16	.7	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	23.50	1.00	4.4	23.75	22.00	23.59	12.81	789	.26	.18	44.4	29.4	.06	.3	.....	3 mos.	04-86	136.9	19.5	4.9	28.9	.16	14.3	136.9	19.5	4.9	28.9	.16	14.3
Homecrafters Whse M	.50	- .13	- 20.0	0.75	0.50	7.75	.50	112	.40	1.48	- 73.0	NE	.00	.0	.....	fiscal	01-86	41.4	17.6	(10.1)	NE	(3.62)	NE	184.4	17.9	(23.6)	NE	(8.42)	NE
Home Depot N	18.75	- 2.63	- 12.3	21.75	18.38	21.75	10.50	8,470	3.37	2.61	29.1	41.7	.00	.0	.....	3 mos.	04-86	222.6	53.5	5.1	168.4	.20	150.0	222.6	53.5	5.1	168.4	.20	150.0
INTERCO Inc N	88.75	- 5.25	- 5.6	95.25	87.25	95.25	62.75	3,390	2.37	1.18	100.8	14.7	3.08	3.5	.....	3 mos.	05-86	579.2	- 1.7	14.4	28.6	.91	28.2	579.2	- 1.7	14.4	28.6	.91	28.2
K mart Cp N	53.50	- 2.88	- 5.1	57.38	50.63	57.38	30.63	74,530	5.92	3.02	96.0	27.2	1.48	2.8	.....	3 mos.	04-86	5212.4	4.6	91.6	56.6	.70	52.2	5212.4	4.6	91.6	56.6	.70	52.2
Lowe's Cos N	31.88	- 4.13	- 11.5	36.25	31.88	41.50	20.75	12,598	3.22	1.51	113.2	19.7	.40	1.3	.....	3 mos.	04-86	534.0	18.1	11.4	- 4.2	.31	- 6.1	534.0	18.1	11.4	- 4.2	.31	- 6.1
Mich General A	3.25	- .25	- 7.1	3.88	3.25	6.13	3.25	1,875	1.65	1.29	27.9	NE	.00	.0	.....	3 mos.	03-86	91.2	3.5	(5.9)	NE	(.53)	NE	91.2	3.5	(5.9)	NE	(.53)	NE
Natl Hardgoods M	10.25	1.38	15.5	10.25	9.25	10.25	5.50	475	3.86	1.33	190.2	24.4	.00	.0	.....	3 mos.	04-86	6.5	- 3.0	.0	- 100.0	.03	200.0	6.5	- 3.0	.0	- 100.0	.03	200.0
Natl Lumber M	6.25	- .25	- 3.8	7.00	6.25	7.25	4.00	454	.81	1.06	- 23.6	NE	.00	.0	.....	*	04-86	NC	NC	NC	NC	NC	NC	32.6	NC	(.6)	NC	(.10)	NC
Pay N Pak N	15.63	- 2.75	- 15.0	18.25	15.00	19.38	11.63	4,318	4.32	2.89	49.5	18.6	.64	4.1	.....	3 mos.	05-86	105.1	27.1	2.3	9.5	.23	9.5	105.1	27.1	2.3	9.5	.23	9.5
Payless Cash N	23.25	- 2.75	- 10.6	26.38	22.75	27.50	13.50	16,374	4.73	2.22	113.1	19.4	.16	.7	.....	6 mos.	05-86	428.8	14.1	15.6	20.0	.45	15.4	703.3	11.5	18.0	23.3	.52	18.2
Scotty's Inc N	15.63	- 1.63	- 9.4	17.25	14.50	18.13	12.38	1,217	.84	.58	44.8	14.7	.52	3.3	.....	9 mos.	03-86	128.4	5.5	4.1	- 18.0	.28	- 26.3	359.3	7.9	9.7	- 19.2	.67	- 25.6
Sears, Roebuck N	43.63	- 4.88	- 10.1	49.25	43.38	50.38	31.75	91,004	2.50	1.24	101.6	12.6	1.76	4.0	.....	3 mos.	03-86	9390.3	7.1	195.3	- 12.5	.52	- 13.3	9390.3	7.1	195.3	- 12.5	.52	- 13.3
Svc Merchandise M	11.13	- 1.25	- 10.1	12.63	11.00	16.13	10.88	21,388	6.42	4.82	33.2	NE	.08	.7	.....	3 mos.	03-86	457.1	31.7	(29.2)	NE	(.88)	NE	457.1	31.7	(29.2)	NE	(.88)	NE
Std Brd Pnt N	22.00	- 1.00	- 4.3	23.50	21.75	25.63	18.75	3,257	16.10	10.45	54.1	17.5	.58	2.6	.....	3 mos.	04-86	77.8	- 3.8	3.3	- 31.3	.29	- 32.6	77.8	- 3.8	3.3	- 31.3	.29	- 32.6
Supermkts Gen N	59.75	- 2.25	- 3.6	63.13	58.00	63.88	39.88	5,109	2.67	1.18	126.3	16.7	.56	.9	.....	3 mos.	04-86	1337.3	10.0	12.3	4.2	.67	1.5	1337.3	10.0	12.3	4.2	.67	1.5
Wickes Cos A	5.75	- .13	- 2.1	6.13	5.00	7.00	3.88	124,784	9.04	3.90	131.8	30.3	.00	.0	.....	3 mos.	04-86	995.1	40.9	15.7	NE	.02	NE	995.1	40.9	15.7	NE	.02	NE
Wolohan Lumber M	8.63	- 1.75	- 16.9	10.38	8.63	10.75	5.25	1,425	2.43	2.38	2.1	13.5	.16	1.9	.....	3 mos.	03-86	28.1	21.6	(.1)	NE	(.02)	NE	28.1	21.6	(.1)	NE	(.02)	NE
Zayre Corp N	39.13	- 2.88	- 6.8	43.88	37.00	43.88	23.88	12,886	2.16	1.47	46.9	24.0	.32	.8	.....	3 mos.	04-86	1044.5	32.2	16.7	9.9	.28	3.7	1044.5	32.2	16.7	9.9	.28	3.7
Wholesalers																													
Lewis Palmer M	8.25	- 1.13	- 12.0	9.50	8.00	9.88	6.38	1,596	4.08	1.15	254.8	33.0	.28b	3.4	.....	3 mos.	04-86	33.8	2.4	.1	NC	.02	NC	33.8	2.4	.1	NC	.02	NC
Manufacturers																													
Allegheny Int N	20.00	.25	1.3	20.75	19.63	28.75	16.50	4,965	4.61	2.63	75.3	NE	.00	.0	.....	3 mos.	03-86	467.2	- 7.3	11.9	133.3	.41	NE	467.2	- 7.3	11.9	133.3	.41	NE
Am Standard N	39.25	- 2.50	- 6.0	42.50	39.25	46.88	27.00	6,946	1.77	1.29	37.2	10.1	1.60	4.1	.....	3 mos.	03-86	715.0	6.8	50.2	147.3	1.30	150.0	715.0	6.8	50.2	147.3	1.30	150.0
Armstrng Wrld N	57.25	- 6.88	- 10.7	64.50	55.25	69.88	31.88	6,421	2.68	1.37	95.6	13.0	1.44	2.5	.....	3 mos.	03-86	430.9	14.4	22.9	27.9	.95	26.7	430.9	14.4	22.9	27.9	.95	26.7
Black & Decker N	18.25	- 2.38	- 11.5	20.63	17.75	25.25	17.25	28,200	4.88	3.26	49.7	37.2	.64	3.5	.....	6 mos.	03-86	415.1	3.0	1.6	- 89.2	.02	- 93.1	936.8	3.4	22.5	- 48.6	.43	- 50.0
Boise Cascade N	56.88	- 1.63	- 2.8	58.50	54.25	59.88	39.63	8,506	3.14	1.39	125.9	18.0	1.90	3.3	.....	3 mos.	03-86	916.6	- 4.3	25.0	- 24.9	.83	- 25.9	916.6	- 4.3	25.0	- 24.9	.83	- 25.9
Certain-teed N	32.50	- 3.38	- 9.4	37.00	32.50	38.50	22.38	2,812	1.48	.78	89.7	11.3	.90	2.8	.....	3 mos.	03-86	255.0	.8	10.5	28.0	.56	36.6	255.0	.8	10.5	28.0	.56	36.6
Champ Intl N	24.00	- .38	- 1.5	25.38	23.50	29.75	20.25	38,980	4.20	1.92	118.8	17.6	.52	2.2	.....	3 mos.	03-86	1122.3	- 31.8	22.0	- 49.8	.20	- 53.5	1122.3	- 31.8	22.0	- 49.8	.20	- 53.5
Clopay Corp A	22.38	- .13	- .6	22.50	22.38	23.00	11.25	8	.05	.92	- 94.6	NE	.16	.7	.....	3 mos.	03-86	32.4	11.0	.4	NE	.25	NE	32.4	11.0	.4	NE	.25	NE
DeSoto Inc N	39.00	- 1.38	- 3.4	40.88	38.75	41.38	31.50	497	1.04	.57	82.5	11.8	1.40	3.6	.....	3 mos.	03-86	96.8	4.1	2.4	200.0	.51	200.0	96.8	4.1	2.4	200.0	.51	200.0
Emhart Corp N	35.50	- .13	- .4	37.88	34.75	42.63	26.38	2,755	.99	1.37	- 27.7	11.9	1.40	3.9	.....	3 mos.	03-86	509.6	21.4	18.0	16.9	.65	16.1	509.6	21.4	18.0	16.9	.65	16.1
Georgia-Pacifc N	31.63	- .25	- .8	32.13	29.50	34.25	20.63	26,507	2.57	1.25	105.6	23.3	.80	2.5	.....	3 mos.	03-86	1604.0	1.5	30.0	- 38.8	.25	- 41.9	1604.0	1.5	30.0	- 38.8	.25	- 41.9
Insilco Corp N	19.63	- 1.88	- 8.7	21.75	18.88	24.50	16.63	3,491	1.77	1.26	40.5	14.2	1.00	5.1	.....	3 mos.	03-86	180.3	- 8.6	6.8	13.3	.34	3.0	180.3	- 8.6	6.8	13.3	.34	3.0
La Pacific N	24.75	- 2.00	- 7.5	26.75	24.13	30.13	17.13	4,409	1.21	1.07	13.1	35.9	.80b	3.2	.....	3 mos.	03-86	322.6	19.0	1.4	- 41.7	.04	- 42.9	322.6	19.0	1.4	- 41.7	.04	- 42.9
Macmillan Bloedel M	26.50	.25	1.0	26.50	24.75	28.63	12.47	732	.24	.16	50.0	NA	.25b	NA	.....	3 mos.	03-86	613.2	13.9	29.2	1023.1	.68	NE	613.2	13.9	29.2	1023.1	.68	NE
Manville Cp N	2.75	.00	.0	3.00	2.75	8.88	2.50	7,387	3.08	6.72	- 54.2	NE	.00	.0	.....	3 mos.	03-86	455.5	5.1	12.0	- 1.6	.24	- 4.0	455.5	5.1	12.0	- 1.6	.24	- 4.0
Masco Corp N	29.88	- 3.38	- 10.2	33.38	29.00	34.50	15.25	22,930	1.78	.83	114.5	22.6	.32	1.1	.....	3 mos.	03-86	308.0	34.5	45.1	27.0	.35	12.9	308.0	34.5	45.1	27.0	.35	12.9
Mor-Flo Inds M	16.00	.00	.0	16.50	16.00	19.25	14.50	154	.61	.36	69.4	12.5	.01	.1	.....	3 mos.	03-86	52.4	.0	.7	- 58.8	.28	- 56.9	52.4	.0	.7	- 58.8	.28	- 56.9
Newell Co N	32.13	- 2.25	- 6.5	35.50	30.50	36.75	15.63	3,198	3.21	1.15	179.1	14.7	.70	2.2	.....	3 mos.	03-86	94.5	18.9	4.1	28.1	.44	25.7	94.5	18.9	4.1	28.1	.44	25.7
Owens Corning N	51.13	4.38	9.4	51.38	47.25	56.75	32.13	9,963	3.34	1.67	100.0	12.1	1.40	2.7	.....	3 mos.	03-86	866.1	27.7	22.9	- 18.2	.77	- 18.9	866.1	27.7	22.9	- 18.2	.77	- 18.9
Ply-Gem A	13.50	- .63	- 4.4	14.50	12.63	15.50	9.59	2,261	3.08	1.51	104.0	18.8	.12	.9	.....	3 mos.	03-86	50.6	24.3	2.0	81.8	.26	30.0	50.6	24.3	2.0	81.8	.26	30.0
Pope & Talbot N	19.13	- .38	- 1.9	20.25	18.50	24.75	16.75	789	1.32	.87	51.7	29.4	.80	4.2	.....	3 mos.	03-86	74.1	- 10.8	(.5)	- 100.0	(.09)	- 100.0	74.1	- 10.8	(.5)	- 100.0	(.09)	- 100.0
Potlatch Cp N	48.63	- 1.75	- 3.5	52.38	48.00	52.38	32.25	2,158	1.66	.99	67.7	19.7	1.56	3.2	.....	3 mos.	03-86	233.3	- .6	13.6	18.3	.95	41.8	233.3	- .6	13.6	18.3	.95	41.8
Sherwin-Wms N	26.63	- .38	- 1.4	28.25	24.50	32.25	16.63	31,235	6.78	1.23	451.2	16.3	.50	1.9	.....	3 mos.	03-86	502.7	2.2	6.9	21.1	.15	15.4	502.7	2.2	6.9	21.1	.15	15.4
SW Forest Ind N	12.63	- .13	- 1.0	13.00	12.25	15.88	9.88	5,929	5.86	2.65	121.1	NE	.00	.0	.....	3 mos.	03-86	142.5	- 16.4	(8.0)	NE	(.94)	NE	142.5	- 16.4	(8.0)	NE	(.94)	NE
Stanley Works N	39.00	- 1.38	- 3.4	41.38	38.25	46.25	27.63	5,759	2.07	.80	158.8	13.6	1.04	2.7	.....	3 mos.	03-86	324.2	17.1	14.7	5.0	.53	1.9	324.2	17.1	14.7	5.0	.53	1.9
Thos Inds N	21.63	- .38	- 1.7	22.00	21.13	26.75	16.19	755	.84	.47	78.7	11.8	.68b	3.1	.....	3 mos.	03-86	70.8	- 4.2	3.2	.0	.36	5.9	70.8	- 4.2	3.2	.0	.36	5.9
USG Corp N	37.63	- 2.75	- 6.8	41.50	36.50	42.75	18.31	11,859	1.83	1.18	55.1	10.7	.96	2.6	.....	3 mos.	03-86	622.1	5.7	51.7	21.6	.81	26.6	622.1	5.7	51.7	21.6	.81	26.6
Walter, Jim N	43.00	- 1.50	- 3.4	45.00	41.13	48.00	26.00	6,542	2.26	1.51	49.7	16.2	1.40	3.3	.....	9 mos.	05-86	NC	NC	(11.5)	- 100.0	(.16)	- 100.0	626.9	- 62.3	38.5	- 47.5	1.26	- 53.2
Waxman Ind M	14.63	- .63	- 4.1	15.50	14.63	17.13	10.00	642	2.05	2.30	- 10.9	18.1	.08	.5	.....	9 mos.	03-86	25.3	23.4	.7	40.0	.23	NE	70.1	14.2	1.8	5.9	.58	- 12.1
Weyerhaeuser N	33.75	- .75	- 2.2	35.00	32.63	40.25	24.75	29,401	2.26	.95	137.9	24.3	1.30	3.9	.....	3 mos.	03-86	1306.7	2.4	50.0	30.9	.31	29.2	1306.7	2.4	50.0	30.9	.31	29.2

All data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column
P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219